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FloorPrep
Legislative Digest

Wednesday, July 12, 2000

*The House will meet at 10:00 a.m. for Legislative Business
(Last Vote Expected Late Night)*

Anticipated Floor Action:

H.R. 4810—Marriage Tax Penalty Relief Reconciliation Act of 2000

**H.R. 4611—Foreign Operations, Export Financing, and Related Programs
Appropriations Act of 2001**



Bills Considered Pursuant to a Rule

H.R. 4810—Marriage Tax Penalty Elimination Reconciliation Act

Floor Situation: On Tuesday evening, July 11th, the Rules committee granted a modified closed rule that allows for one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, waives all points of order against consideration of the bill, and provides one motion to recommit with or without instructions. The rule allows for consideration of an amendment in the nature of a substitute, which will be debatable for an additional hour equally divided between the opponent and proponent, and waives all points of order against the amendment.

Summary: H.R. 4810 contains several initiatives to reduce the impact of the “marriage penalty” inherent in the tax code. Specifically, the bill provides \$182.3 billion in marriage penalty tax relief over 10 years (\$50.7 billion over five years) by changing the tax code in the following manner:

* **Increasing the Standard Deduction.** The measure increases the standard deduction for married couples to twice that of single taxpayers beginning in 2001, providing \$66.2 billion in tax relief over 10 years. In 2000, the standard deduction amounts to \$4,400 for single taxpayers but just \$7,350 for married couples who file jointly (*e.g.*, were the bill effective in 2000, the standard deduction would amount to \$8,800, double the \$4,400 amount for singles).

* **Expanding the 15 Percent Tax Bracket.** H.R. 4810 increases the 15 percent tax bracket for married couples who file jointly to twice that of single taxpayers beginning in 2003, phased in

over six years (providing \$104.7 billion in tax relief over 10 years). Under current law, the 15 percent bracket covers taxpayers with taxable income up to \$26,250 for singles and \$43,850 for married couples filing jointly. If the measure were in effect today, married couples would pay the 15 percent tax rate on their first \$52,500 of taxable income, instead of on their first \$43,850 under current law.

* **Increasing the Earned Income Tax Credit.** Beginning in 2001, the bill increases by \$2,000 the amount a joint-filing couple may earn before their earned income tax credit benefits begin to phase out. This provision provides \$11.4 billion in tax relief over 10 years. The proposal increases EITC payments to existing family recipients and makes additional families eligible for the credit.

Married couples generally are treated as one unit that must pay taxes on the couple's total taxable income. Although they may elect to file separate returns, the rate schedules and other provisions are structured in such a way that filing separate returns usually results in a higher tax than filing a joint return. Other rate schedules apply to single persons and to single heads of households.

CBO did not complete a cost estimate for the bill. The Joint Committee on Taxation estimates for enactment of H.R. 6 are available at www.house.gov/jct/x-6/00.pdf and www.house.gov/jct/x-3-00.pdf. At press time, a cost estimate of H.R. 4810 was not available. H.R. 6 was introduced by Mr. Weller on February 10, 1999, and reported from the Ways & Means Committee by a vote of 23-13 on February 2, 2000.

The Republican Leadership supports passage of H.R. 4810. The President has indicated that he is supportive of targeted marriage relief. The Administration has indicated that the president would veto this legislation sighting that too small a share of benefits are directed towards lower- and middle-income taxpayers and too large a share devoted to couples who do not suffer marriage penalties.

Amendments Made in Order:

Mr. Rangel will offer an amendment in the nature of a substitute that increases the standard deduction for joint returns so that it is equal to twice the standard deduction for single taxpayers. It adjusts the alternative minimum tax so that it would not disallow the full benefit of the increase in the standard deduction. Additionally, the income level at which the earned income tax credit (EITC) begins to phase out by \$2,000 in 2001 and by \$2,500 in 2002 and following while repealing the current law that reduces the EITC and refundable child credit by the amount of the minimum tax. *Contact: x5-4365*



H.R. 4811—FY 2001 Foreign Operations Appropriations Act

Floor Situation: The House is scheduled to consider H.R. 4811 on July 12, 2000. On Tuesday evening, July 11th, the Rules committee granted a open rule that waives all points of order against consideration of the bill and provides one hour of general debate equally divided and controlled by

the chairman and ranking minority member of the Committee on Appropriations.

Highlights: H.R. 4811 appropriates \$13.3 billion in discretionary budget authority in FY 2001 for foreign assistance and export-financing programs. This amount is \$1.85 billion less than the FY 2000 level (this amount includes FY 2000 emergency appropriations) and \$1.82 billion less than President Clinton's FY 2001 budget request. Of the total amount appropriated, the bill provides \$696 million for export assistance, \$7.94 billion for bilateral economic assistance, \$3.68 billion for military assistance, and over \$1 billion for multilateral economic assistance.

Major funding initiatives in the bill include:

- \$834 million for the Child Survival and Disease Programs Fund- \$174.7 million over the president's request and \$119 million more than last year;
- Gives \$160 million for emergency disaster assistance in Mozambique, Madagascar, and Southern Africa;
- Fully meets the president's requests for military and economic aid to Israel, Jordan and Egypt;
- Adds \$5.4 million to the International Fund for Ireland above last year's level;
- Adds an additional \$13 million in the Peace Corps budget next year;
- Increases the Agency for International Development (AID) development budget by an additional \$34.2 million.

The bill also:

- Reduces funding for the World Bank Group by \$197.5 million;
- Freezes funds for international family planning assistance at \$385 million for the third year in a row;
- And cuts the contribution to the International Development Association (IDA) by \$198.4 million.

At press time, *Legislative Digest* was aware of the following amendments:

Mr. Baker may offer an amendment that prevents funds under the heading of "Development Assistance" or "Economic Support Fund" from being used as aid for the Government of the Republic of Panama unless the Panamanian government enters into "good-faith negotiations" regarding U.S. military installations in Panama. **Contact: x5-3901**

Mr. Brown may offer an amendment that prohibits any funds in the bill from being used in violation of existing laws against the importation of goods made by forced labor. This amendment reinforces section 307 of the Tariff Act of 1930 (19 U.S.C. 1307). **Staff Contact: Arlan Fuller, x5-3401.**

Mr. Brown, Ms. Wilson, Ms. Morella, and Mr. Green may offer an amendment to increase by \$40 million the Other Infectious Diseases component of the Child Survival and Disease Program Fund. A decrease in \$40 million from the Asian Development Fund will offset this increase. (The amendment is intended to provide further assistance to international efforts to control the spread of tuberculosis.) *Staff Contact: Arlan Fuller, x5-3401.*

Mr. Burton may offer an amendment (#3) that decreases export and investment assistance subsidy appropriation by \$25 Million, decreases bilateral economic assistance by \$49.5 million, reduces funding for USAID by \$30 million, and increases funding for the Department of State Narcotics Control and Law Enforcement by \$99.5 million. This \$99.5 million is to be used to fund purchase equipment for the Columbian National Police. *Contact: x5-2276.*

Mr. Burton may offer an amendment (#4) that decreases export and investment assistance subsidy appropriation by \$25 Million, decreases bilateral economic assistance by \$49.5 million, reduces funding for USAID by \$30 million, and increases funding for the Department of State Narcotics Control and Law Enforcement by \$99.5 million. *Contact: x5-2276.*

Mr. Burton may offer an amendment (#5) that adds a section entitled “Title VII-Additional General Provisions” to the end of the bill. This new section prevents any Bilateral Economic Assistance funds from being used for developmental aid to India. *Contact: x5-2276.*

Mr. Burton may offer an amendment (#6) that that adds a section entitled “Title VII-Additional General Provisions” to the end of the bill. This section limits India’s amount of Bilateral Economic Assistance funding to \$35 million. *Contact: x5-2276.*

Mr. Burton may offer an amendment (#7) that decreases the amount of aid to India in Title II by \$5 million. *Contact: x5-2276.*

Mr. Callahan may offer an amendment (#8) that provides that \$250,000,000 of the funds appropriated for Israel shall not be disbursed until the Secretary of Defense certifies to the appropriate committees of the Congress that the proposed transfer by Israel to China of equipment and technology associated with the “Phalcon” radar system does not pose a threat to the national security of the United States or has been canceled by the Government of Israel. *Staff Contact: Charlie Flickner, x5-2041.*

Mr. Filner may offer an amendment (#10) that grants \$3.5 million to the Kurdish Human Rights Watch in Iraq. *Contact: x5-8045.*

Mr. Greenwood may offer an amendment that strikes section 587 of the bill which restricts assistance to foreign organizations that perform abortions. This amendment makes it possible for U.S. funds to be used to perform abortions overseas. *Staff Contact: Ron Chester, x5-4276*

Mr. Hostettler may offer an amendment (#12) that reduces Israel’s military aid by \$250 million dollars -equivalent to the sticker price of one Phalcon Airborne Early Warning Aircraft that Israel has agreed to sell to China. *Staff Contact: Jim Dolbow, x5-4636.*

Mr. Kucinich may offer an amendment (#13) that prevents any funds in the bill from being given

to the Kosovo Protection Corps. *Contact: x5-5871.*

Ms. Lee may offer an amendment (#14) that takes \$50 million from the International Military Education and Training, and \$50 million from the International Narcotics Control and Law Enforcement, and place it in a fund to be used for use by the World Bank AIDS Marshall Plan Trust Fund. *Contact: , x5-2661.*

Ms. Lowey may offer an amendment (#15) that strikes section 587 of the bill which restricts assistance to foreign organizations that perform abortions. *Contact: x5-6506.*

Ms. Lowey may offer an amendment (#16) that prevents any money from being used world-wide to restrict or prevent the use of abortion as birth control. *Contact: x5-6506.*

Mr. Paul may offer an amendment (#17) that prohibits any new obligation, guarantee, or agreement by the Export-Import Bank, the Overseas Private Investment Corporation or the Trade and Development Agency. *Contact: x5-2831.*

Mr. Roemer may offer an amendment (#1) that reduces USAID Operating Expenses by \$2.1 million (under Title II); cutting the Multilateral Investment Guarantee Agency by \$4.9 million (Title IV); and cuts the Inter-American Development Corporation by \$8 million. *Staff Contact: Pete Spiro, x5-3915.*

Mr. Roemer may offer an amendment (#2) that increases Development Assistance (Title II), which funds Microenterprise Initiatives, by \$15 million. *Staff Contact: Pete Spiro, x5-3915.*

Mr. Roemer may offer an amendment (#18) increases Bilateral Economic Assistance funds for development assistance by \$15 million, decreases USAID in Title II by \$2.1 million, decreases Multilateral Investment Guarantee Agency funding in Title IV by \$4.9 million, and decreases the Inter-American Investment Corporation funding by \$8 million in Title IV. *Staff Contact: Pete Spiro, x5-3915.*

Mr. Royce may offer an amendment (#19) that strikes \$4.9 million in funding for Multilateral Investment Guarantee Agency (MIGA), an arm of the World Bank established in 1988 to provide political risk insurance to private corporations and banks investing in developing countries. *Staff Contact: Darrin Shrader, x5-2276.*

Mr. Sanders may offer an amendment (#20) that provides \$2.5 million in assistance to NGOs for the reintegration of victims of sex trafficking. The offset comes from the bill's \$2.5 million increase for International Military Education and Training Programs (IMET). *Staff Contact: Sandra Caron, 5-4115.*

Mr. Sanders may offer an amendment (#21) that decreases funding for International Military Education and Training by \$2.5 million. This amendment also increases funding for the African Development Foundation by \$2.5 million. *Staff Contact: Sandra Caron, 5-4115.*

Mr. Tancredo may offer an amendment (#22) that prohibits funding to the UN Man & Biosphere Program and the UN World Heritage Sites. *Staff Contact: Chris Rorick, x5-7882.*

Mr. Traficant may offer an amendment (#23) that prevents any funds in the bill from being used to aid the Palestine Authority. *Contact: 5-5261.*

Mr. Traficant may offer an amendment (#24) that prevents funds in the bill from being used in contravention of the “Buy American Act” of 1933. *Contact: 5-5261.*

Mr. Traficant may offer an amendment (#25) that prevents any funds in the bill from being used to fund the Palestine Authority until it completes all contracts between itself and any U.S. entity it has contracts with. *Contact: 5-5261.*

Ms. Waters may offer an amendment (#26) that provides full funding for debt relief for Mozambique and other heavily indebted poor countries. It appropriate the remaining \$810 million to fully forgive the debts that continue to impoverish the world’s poorest countries and their people. *Staff Contact: Kathleen Sengstock, x5-2201.*

Ms. Waters may offer an amendment (#27) that gives more debt relief funds to Third World countries. This amendment releases the world’s most impoverished countries from their debt to the United States. The amendment fully funds the Administration’s request of \$225 million for debt relief for the world’s poorest countries in fiscal year 2001. The current Foreign Operations Appropriations bill includes \$69.4 million in debt relief funds for these countries. *Staff Contact: Kathleen Sengstock, x5-2201.*

Ms. Waters may offer an amendment (#28) that authorizes negotiations for the creation of a World Bank AIDS Trust Fund to provide grants to support HIV/AIDS treatment and prevention programs in the countries of sub-Saharan Africa and other less developed countries and appropriate \$200 million for this critical program. *Staff Contact: Kathleen Sengstock, x5-2201.*

Additional Information: See *Legislative Digest*, Vol.XXIX, #19 Pt.II, July 11, 2000



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